WEEKLY ECONOMIC REVIEW

December 21, 2007

Alberta population is estimated to be nearly 3.5 million, representing 10.5% of Canada's population. For the first time since the fourth quarter of 1994, Alberta experienced a net loss (-3,316) in interprovincial migration in the third quarter of 2007, due to the substantial increase in the number of out-migrants to B.C. and Saskatchewan. Despite this, Alberta's annual population growth was still the strongest in Canada (+2.3%) because of strong natural growth and net international migration.

Alberta's annual inflation rate moderated from 5.0% in October to 4.7% in November. A decline in natural gas prices and a deceleration in owned accommodation costs contributed to the decrease. Nationally, higher gasoline prices and mortgage interest costs helped to boost the annual inflation rate to 2.5%. However, the Bank of Canada's core CPI inflation rate fell to 1.6%, the lowest level since April 2006.

Alberta experienced its first increase in retail sales after three straight months of declines, edging up 0.5% in October from September. Sales in Canada were essentially unchanged (+0.1%), as weak sales in Ontario offset gains in other provinces.

New motor vehicle sales in Alberta rose by 1.0% in October after a 5.6% decline in September. National sales fell for the second straight month (-1.4%), driven by losses in sales of passenger cars.

Cdn Dollar (US¢/CS)

December 21, 2007	100.6
December 14, 2007	98.6
2007-08 YTD	96.2

WTI Oil US$/bbl

December 20, 2007	$ 91.06
December 13, 2007	$ 92.25
2007-08 YTD	$ 76.36

Nymex Natural Gas CS/MMBtu *
January Contract

December 21, 2007	$ 7.12
December 14, 2007	$ 7.20

*Estimate based on Nymex Futures Market Price

In October, Canadian GDP increased by 0.2% from September, as increases in manufacturing and wholesale trade offset a decline in mining. This stronger-than-expected growth propelled the Canadian dollar to a three-week high of US¢100.6 on Friday.

A weak U.S. dollar and solid demand in overseas economies have been pulling the U.S. trade deficit lower. In the third quarter, the U.S. current account trade deficit fell by 5.5% to $178.5 billion, the lowest level in two years.

U.S. housing activity continued to plunge in November, with housing starts declining 24.2% from November 2006.

Economic Indicators Released this Week	Reference Period	Month/Previous Month (M/M)	Month/Previous Year's Month(Y/Y)	Year-to-date[2]
Consumer Price Index	**November**			
Alberta (2002=100)	119.1	0.4%	4.7%	5.0%
Canada (2002=100)	111.9	0.3%	2.5%	2.1%
Retail Sales ($ Millions)	**October**			
Alberta	5,104	0.5%	6.4%	9.4%
Canada	34,466	0.1%	5.7%	5.7%
New Motor Vehicle Sales				
Alberta	20,716	1.0%	-2.1%	4.1%
Canada	137,501	-1.4%	0.8%	2.3%
Population (as of October 1, 2007)	**3rd Quarter**	**Quarter/Previous Quarter (Q/Q)**	**Quarter/Previous Year's Quarter (Y/Y)**	**Year-to-date**
Alberta	3,486,767	0.4%	2.3%	2.9%
Canada	33,091,228	0.4%	1.0%	1.0%

Source: Statistics Canada, U.S. Census Bureau [2]Year-to-date 2007 compared to the same period in 2006